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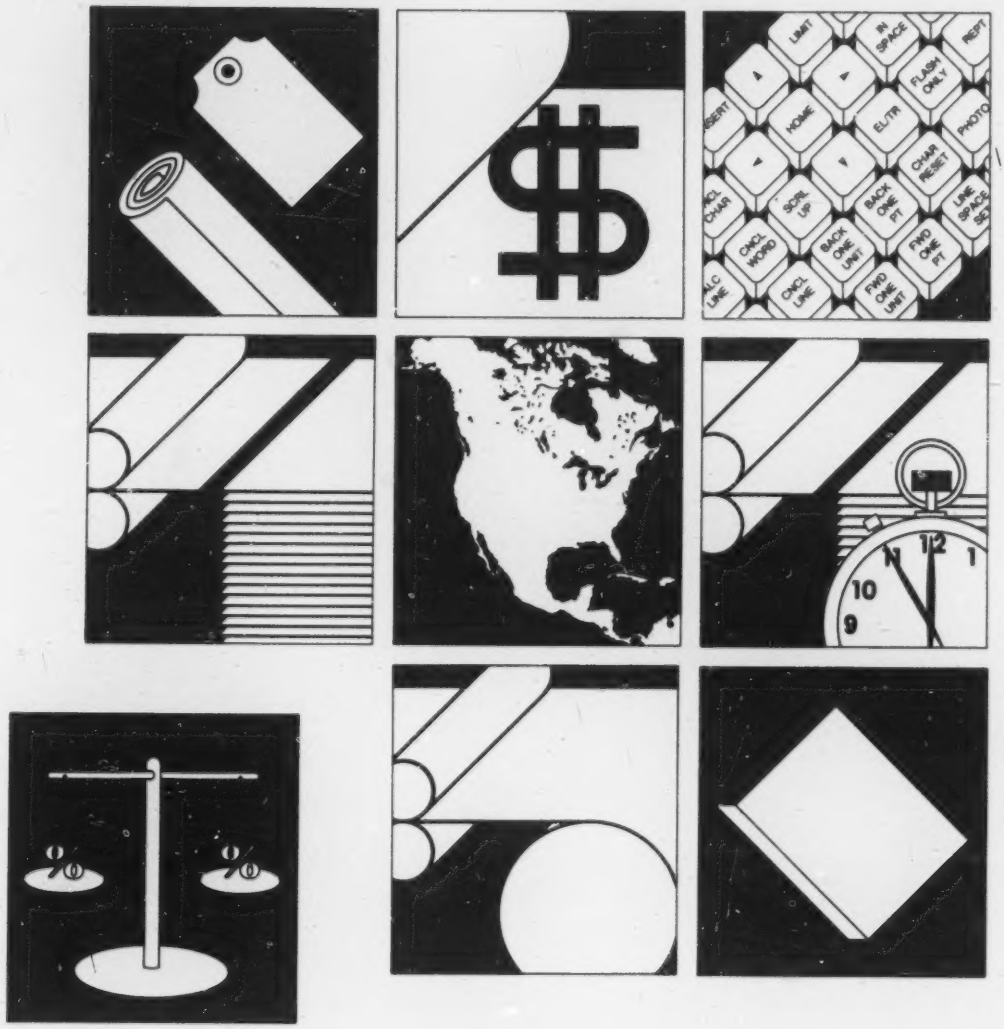
FINANCIAL SERVICES

1985 Financial Ratio Study



Volume II

All Printers By Sales Volume

ABOUT PIA...

Printing Industries of America, Inc., is a federation of national, regional, state, and city associations composed of over 12,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's Affiliated Associations automatically entitles an organization PIA membership.

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- PrintFinance: PIA in conjunction with Merrill Lynch brings you an innovative, comprehensive financial package called PrintFinance, available only from PIA Financial Services. PrintFinance is a unique competitively priced financial services package developed especially for the printing industry and allied graphic arts firms.
- The Annual PIA Financial Ratio Study - A Multinational Financial Survey
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- Financial Management/Investment Banking Seminars
- Production Profit Target Program: production guidelines for sheetfed presses, web presses, bindery, and prepress equipment

For further information, contact:

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1730 North Lynn Street
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PIA's Education and Publication Services is active in financial management, offering numerous publications on the subject:

- Best & Worst Markets for Printers in the 1980's (a unique marketing and financial planning aid, available by subscription directly from PIA)
- Cost Accounting for the Job Order Printer
- Graphic Arts Estimating, Volume I
- Money Making Guide to Printing Estimating, revised edition
- Running in the Black: Six Steps to Managing Printing Profitability
- Sales Compensation in the Printing Industry - 1983
- Simplified Cost System
- Tax Planning for Your Graphic Arts Business
- Understanding Value Added
- Value Added Financial Management: A Guide for Printers
- 1981–82 Production Management Compensation Survey
- 1983 Survey of Sales Management: Practices and Compensation

Members may obtain these books through their PIA Affiliated Associations' Graphic Arts Bookstores, or by calling 1-800/PIA-DATA. Available free upon request from PIA is PrintCatalog, a comprehensive listing of all the publications and programs offered by all components of PIA. For further information about how to order or about the contents of publications, contact:

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Volume II: All Printers By Sales Volume

An Annual Financial Survey Conducted By:
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PRINTING INDUSTRIES OF AMERICA, INC.

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Dear Colleague:

1985 is the 62nd year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries in the U.S., Canada, and throughout the world. In addition, it allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the industry as a whole, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addresses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

Please refer your questions on the PIA Ratio Study to your nearest local PIA affiliated association or to me at the address above.

William A. Rose, II
Director, PIA Financial Services

Dear Member of the Graphic Arts Community:

We are pleased to be a part of PIA's 1985 Financial Ratio Study. This year, a total of 879 firms representing the printing industry in the United States and Canada participated in these studies by responding to PIA's questionnaire on financial performance. Among these respondents, 177 firms may be considered "Profit Leaders," earning eight percent or greater pretax profits on sales. Such widespread participation has made the annual PIA Ratio Studies the most comprehensive financial reports available on the health of the graphic arts industry.

This book presents the financial status of printing firms according to sales volume. Ratios and statistics from responding firms are presented in six categories: sales to $250,000, sales from $250,000 to $500,000, sales from $500,000 to $1,500,000, sales from $1,500,000, sales from $5,000,000 to $10,000,000, and sales over $10,000,00. Readers can compare the data from their own firm's financial statements with similar data from other firms having the same sales volume in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in these studies.

H.R. Margolis Company
Certified Public Accountants
Bala Cynwyd, Pennsylvania

Table of Contents

	Page Number
FOREWORD	2
VALUE ADDED—WHAT IT MEANS TO YOU	4–5
ALL PRINTERS BY SALES VOLUME	6–19
All Firms Reporting	
0 to $250,000	
$250,000 to $500,000	
$500,000 to $1,500,000	
$1,500,000 to $5,000,000	
$5,000,000 to $10,000,000	
Over $10,000,000	
Report on Operations - Value Added = 100%	6–7
Supporting Schedules - Value Added = 100%	8–9
Report on Operations - Sales = 100%	10–11
Supporting Schedules - Sales = 100%	10–13
Balance Sheet	14–15
Significant Facts	16–17
Return on Investment - Per $100 of Sales	18–19
ABSOLUTE DATA	20

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales Firm's Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%
B	500,000	100,000	20.0
C	8,000,000	975,000	12.2

62.2% divided by 3 = 20.7%

= PIA Factory Payroll Ratio

VALUE ADDED DEFINED

Value added is a technical term for sales of a company's own manufacture. It is calculated as sales less material costs and outside services.

Sales		$100.00
Less: Materials		
Paper	$ 23.00	
Other chargeable materials	5.00	
Outside services	8.00	36.00
Value Added		$ 64.00

Material costs include paper and other chargeable materials such as ink, film, plates etc., but not general supplies or the repair and maintenance of equipment. Outside services are purchases of job-related services - composition, offset preparation, printing, bindery, etc.

Value added financial management is based on a fundamental principle of accounting: Profit is achieved from sales of a company's own manufacture. Time and time again, when printing companies show high sales but low profits, the root of the problem is in the failure to pay attention to the relationship between value added and profit performance.

VALUE ADDED AND PROFITS

Since value added is sales less materials costs, it becomes a critical factor in paying your remaining expenses - expenses such as factory labor, other factory expenses, administrative expenses, selling expenses, and interest.

What is left is profit.

All sales do not contribute equally to fixed costs and profits. There are "good sales" and "better sales." Good sales are sales that require more than an average amount of materials and outside services. As a result, they have less value added with which to cover fixed costs and to produce a profit. They are called "good sales" simply because there are no "bad sales" in the printing industry.

Better sales require fewer materials and more inside sales - sales of your company's own manufacture. This type of sale generously covers overhead and pays more dollars into profits. Printing firms that follow value added financial management procedures do all work inside unless they cannot avoid sending it out.

A VALUE ADDED STATEMENT OF OPERATIONS

In keeping with the value added concept, operating statements are more meaningful when prepared on the basis of inside sales. In this type of presentation management starts its financial analysis with value added instead of the sales column. This eliminates the distortion introduced by material costs. For example, in comparing percentages based on sales of a short-run, sheet-fed company and a web offset firm, we could be faced with a significant difference in ratios because of differences in material costs. Although it would appear that the web offset operation had a lower factory labor cost because a substantial amount of its sales were materials, this might, in fact, not be the case at all. Instead, the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

	COMPANY S SHEET-FED		COMPANY W WEB-FED	
		% OF SALES		% OF SALES
SALES	$1,000,000	100.00%	$1,000,000	100.00%
MATERIALS				
Paper	197,300	19.73	387,900	38.79
Other chargeable materials	42,800	4.28	35,000	3.50
Outside services	87,900	8.79	30,000	3.00
	328,000	32.80	452,900	45.29
		% OF VALUE ADDED		% OF VALUE ADDED
VALUE ADDED	672,000	100.00%	547,100	100.00%
FACTORY PAYROLL	241,800	35.98	177,500	32.44
FACTORY EXPENSES	121,800	18.13	101,300	18.52
	363,600	54.11	278,800	50.96
GROSS PROFIT	308,400	45.89	268,300	49.04
SELLING AND ADMINISTRATIVE EXPENSES	187,500	27.90	141,700	25.90
INCOME BEFORE INTEREST EXPENSE	120,900	17.99	126,600	23.14
Interest expense	18,300	2.72	7,900	1.44
OPERATING INCOME	102,600	15.27	118,700	21.70
Other income	10,200	1.52	16,200	2.96
INCOME BEFORE INCOME TAXES	$ 112,800	16.79%	$ 134,900	24.66%

The point is that every company's product mix is different, and by using statements of operations based on value added, this product mix difference is eliminated. Consequently, value added is a better statement with which to evaluate your operations.

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	42.20	37.87	42.59	35.33	41.07	36.23
FACTORY EXPENSES	20.10	18.43	21.69	20.50	23.04	21.78
TOTAL FACTORY COST OF PRODUCT	62.30	56.30	64.28	55.83	64.11	58.01
GROSS PROFIT	37.70	43.70	35.72	44.17	35.89	41.99
ADMINISTRATIVE AND SELLING EXPENSES						
Administrative expenses	15.76	13.69	20.08	14.05	22.53	15.96
Selling expenses	13.23	10.78	10.08	7.66	9.26	5.17
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	28.99	24.47	30.16	21.71	31.79	21.13
INCOME BEFORE INTEREST EXPENSE	8.71	19.23	5.56	22.46	4.10	20.86
Interest expense	3.19	2.25	2.21	2.37	3.01	2.71
OPERATING INCOME	5.52	16.98	3.35	20.09	1.09	18.15
Other income (expense)	1.12	1.82	0.16	(0.46)	0.76	1.19
INCOME BEFORE INCOME TAXES	6.64	18.80	3.51	19.63	1.85	19.34

* See page 10 for the definition of "Profit Leaders."

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
40.86	38.20	41.76	35.74	42.99	38.51	44.58	40.10
20.39	17.08	19.34	18.14	19.60	18.16	20.48	18.84
61.25	55.28	61.10	53.88	62.59	56.67	65.06	58.94
38.75	44.72	38.90	46.12	37.41	43.33	34.94	41.06
19.91	19.28	15.51	14.97	13.16	11.75	10.22	9.26
12.19	9.40	14.76	12.20	14.19	12.39	12.28	10.78
32.10	28.68	30.27	27.17	27.35	24.14	22.50	20.04
6.65	16.04	8.63	18.95	10.06	19.19	12.44	21.02
2.92	1.66	3.29	2.84	3.55	1.79	3.16	2.14
3.73	14.38	5.34	16.11	6.51	17.40	9.28	18.88
0.98	1.55	1.17	2.22	1.23	2.02	1.31	1.75
4.71	15.93	6.51	18.33	7.74	19.42	10.59	20.63

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL						
Salaries - executive	3.14%	2.74%	5.04%	8.65%	3.15%	3.79%
Direct wages	28.92	25.52	31.57	21.81	31.98	28.25
General factory salaries and wages	2.64	2.89	0.23	0.82	0.58	0.13
Packing, shipping and delivery wages	1.34	1.14	0.09	0.43	0.64	0.49
Payroll taxes	2.85	2.38	3.54	3.01	3.00	2.43
Employee benefits	3.31	3.20	2.12	0.61	1.72	1.14
TOTAL FACTORY PAYROLL	42.20	37.87	42.59	35.33	41.07	36.23
FACTORY EXPENSES						
Fixed Expenses						
Depreciation - real estate	0.39	0.41	0.06	0.00	0.42	0.81
Depreciation - other	5.21	5.21	4.42	4.97	6.43	5.59
Taxes - real estate	0.32	0.33	0.07	0.00	0.34	0.16
Taxes - other	0.30	0.24	0.41	0.05	0.19	0.11
Insurance	0.77	0.63	1.56	1.19	1.62	1.34
Building rent	2.27	1.81	4.93	5.11	3.92	3.17
Utilities - heat, light, etc.	1.92	1.72	1.59	0.85	2.08	1.72
Equipment rental	0.90	0.59	1.95	1.46	1.47	1.98
Total Fixed Expenses	12.08	10.94	14.99	13.63	16.47	14.88
Other Expenses						
Factory supplies and expense	3.07	2.96	1.91	2.59	2.44	3.14
Packing, shipping and delivery expense	1.67	1.47	1.85	1.68	1.32	0.79
Repairs and maintenance	2.19	2.20	1.99	2.26	2.04	2.52
Other factory expenses	1.09	0.86	0.95	0.34	0.77	0.45
Total Other Expenses	8.02	7.49	6.70	6.87	6.57	6.90
TOTAL FACTORY EXPENSES	20.10	18.43	21.69	20.50	23.04	21.78
ADMINISTRATIVE EXPENSES						
Salaries - executive	4.71	4.21	8.24	4.53	8.97	4.39
Salaries - office	3.89	3.23	4.21	5.07	4.91	3.58
Payroll taxes	0.61	0.46	1.05	0.23	1.14	0.35
Employee benefits	0.85	0.78	0.69	0.00	0.99	0.32
Bad debts	0.80	0.68	0.30	0.25	0.94	1.70
Office supplies and expenses	0.77	0.66	0.76	1.11	0.95	1.00
Professional fees	0.89	0.83	0.92	1.02	1.30	1.27
Taxes - business	0.27	0.31	0.30	0.19	0.42	0.49
Telephone	0.80	0.64	2.10	1.17	1.27	1.25
Other administrative expenses	2.17	1.89	1.51	0.48	1.64	1.61
TOTAL ADMINISTRATIVE EXPENSES	15.76	13.69	20.08	14.05	22.53	15.96
SELLING EXPENSES						
Salaries - executive	2.06	1.74	3.31	1.87	2.08	1.06
Salaries and commissions - salesmen	6.04	4.87	2.46	4.11	2.88	0.84
Salaries - sales office clerical	1.06	0.77	0.76	0.07	0.57	0.46
Payroll taxes	0.49	0.37	0.19	0.16	0.32	0.13
Employee benefits	0.51	0.46	0.15	0.04	0.17	0.12
Advertising	0.65	0.52	1.52	0.67	1.03	0.82
Travel and entertainment	1.30	1.09	1.39	0.66	1.47	1.20
Other selling expenses	1.12	0.96	0.30	0.08	0.74	0.54
TOTAL SELLING EXPENSES	13.23	10.78	10.08	7.66	9.26	5.17

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.58%	2.75%	3.07%	2.65%	2.80%	2.23%	2.84%	2.53%
29.71	27.75	28.44	23.09	28.58	26.48	27.80	25.64
1.19	1.54	2.78	3.67	3.35	2.44	1.62	4.01
1.03	1.24	1.63	1.10	1.42	1.17	1.48	1.29
2.79	2.30	2.76	2.27	2.88	2.45	2.97	2.47
2.56	2.62	3.08	2.96	3.96	3.74	4.87	4.16
40.86	38.20	41.76	35.74	42.99	38.51	44.58	40.10
0.35	0.13	0.36	0.43	0.37	0.42	0.58	0.48
5.41	5.50	5.10	5.29	4.82	5.00	5.05	4.97
0.26	0.36	0.32	0.33	0.32	0.34	0.45	0.37
0.29	0.20	0.28	0.23	0.39	0.38	0.29	0.23
1.10	0.88	0.71	0.60	0.48	0.49	0.35	0.37
3.64	3.29	2.07	1.78	1.43	1.13	0.83	0.76
1.64	1.28	1.73	1.39	2.07	2.09	2.50	2.21
0.99	0.45	0.84	0.70	0.95	0.15	0.53	0.42
13.68	12.09	11.41	10.75	10.83	10.00	10.58	9.81
2.36	1.44	2.94	2.75	3.45	3.33	4.31	3.93
1.58	1.20	1.82	1.59	1.70	1.82	1.54	1.49
1.90	1.89	2.15	2.16	2.28	2.00	2.65	2.47
0.87	0.46	1.02	0.89	1.34	1.01	1.40	1.14
6.71	4.99	7.93	7.39	8.77	8.16	9.90	9.03
20.39	17.08	19.34	18.14	19.60	18.16	20.48	18.84
6.37	6.57	4.39	4.66	3.50	3.86	2.26	2.32
5.20	4.87	3.83	3.47	3.22	2.31	2.50	2.26
0.86	0.67	0.57	0.57	0.45	0.35	0.30	0.29
1.03	1.34	0.83	0.74	0.75	0.76	0.70	0.64
0.80	0.60	0.84	0.67	0.78	0.69	0.70	0.51
0.99	1.01	0.79	0.68	0.59	0.45	0.52	0.43
0.99	0.91	0.91	0.98	0.79	0.70	0.66	0.59
0.31	0.36	0.30	0.41	0.22	0.28	0.18	0.14
1.04	0.77	0.73	0.65	0.65	0.52	0.50	0.45
2.32	2.18	2.32	2.14	2.21	1.83	1.90	1.63
19.91	19.28	15.51	14.97	13.16	11.75	10.22	9.26
2.45	2.03	2.20	1.89	1.83	2.07	1.35	1.34
4.95	3.68	7.17	6.18	7.20	6.34	5.59	4.44
0.83	0.47	1.14	0.57	1.10	0.89	1.37	1.23
0.51	0.27	0.57	0.48	0.48	0.39	0.40	0.37
0.43	0.34	0.56	0.43	0.57	0.60	0.63	0.60
0.82	0.74	0.55	0.55	0.60	0.41	0.43	0.33
1.28	1.23	1.42	1.36	1.27	0.89	1.01	0.83
0.92	0.64	1.15	0.74	1.14	0.80	1.50	1.64
12.19	9.40	14.76	12.20	14.19	12.39	12.28	10.78

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT						
MATERIALS						
Paper	23.42	23.55	18.46	20.83	19.34	17.38
Other chargeable materials	5.36	5.36	4.00	3.28	5.14	6.31
Outside services	8.49	7.22	9.81	9.41	7.93	7.18
TOTAL MATERIALS	37.27	36.13	32.27	33.52	32.41	30.87
FACTORY PAYROLL	26.47	24.25	28.83	23.68	27.74	25.12
FACTORY EXPENSES	12.56	11.68	14.57	13.43	15.46	14.92
TOTAL FACTORY COST OF PRODUCT	76.30	72.06	75.67	70.63	75.61	70.91
GROSS PROFIT	23.70	27.94	24.33	29.37	24.39	29.09
ADMINISTRATIVE AND SELLING EXPENSES						
Administrative expenses	10.01	8.90	13.98	9.75	15.29	11.45
Selling expenses	8.26	6.99	6.90	4.97	6.12	3.57
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	18.27	15.89	20.88	14.72	21.41	15.02
INCOME BEFORE INTEREST EXPENSE	5.43	12.05	3.45	14.65	2.98	14.07
Interest expense	1.97	1.41	1.41	1.53	1.98	1.78
OPERATING INCOME	3.46	10.64	2.04	13.12	1.00	12.29
Other income (expense)	0.68	1.15	0.10	(0.29)	0.52	0.82
INCOME BEFORE INCOME TAXES	4.14	11.79	2.14	12.83	1.52	13.11

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS						
Ink	1.67%	1.97%	0.83%	0.69%	0.81%	0.52%
Film	1.11	0.88	1.46	0.51	1.19	0.96
Plates	1.17	1.07	0.89	0.74	1.11	0.75
Other chargeable materials	1.41	1.44	0.82	1.34	2.03	4.08
TOTAL OTHER CHARGEABLE MATERIALS	5.36	5.36	4.00	3.28	5.14	6.31
OUTSIDE SERVICES						
Composition	0.81	0.51	1.53	0.06	1.12	0.86
Offset preparation	1.34	1.31	0.39	0.00	0.55	0.93
Printing	2.25	1.74	5.46	9.06	3.24	3.20
Binding	1.96	1.48	1.96	0.21	1.05	0.47
Other outside services	2.13	2.18	0.47	0.08	1.97	1.72
TOTAL OUTSIDE SERVICES	8.49	7.22	9.81	9.41	7.93	7.18

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
19.91	19.27	22.78	23.59	26.24	24.87	28.83	27.18
4.58	4.55	5.15	5.13	5.59	4.42	6.82	6.58
9.37	7.91	9.27	7.18	7.80	8.67	6.42	5.85
33.86	31.73	37.20	35.90	39.63	37.96	42.07	39.61
27.00	26.18	26.30	23.00	26.01	24.11	25.83	24.21
13.48	11.70	12.15	11.56	11.67	11.08	11.73	11.25
74.34	69.61	75.65	70.46	77.31	73.15	79.63	75.07
25.66	30.39	24.35	29.54	22.69	26.85	20.37	24.93
13.16	13.03	9.76	9.67	8.00	7.29	5.92	5.66
7.97	6.40	9.19	7.96	8.68	7.87	7.19	6.79
21.13	19.43	18.95	17.63	16.68	15.16	13.11	12.45
4.53	10.96	5.40	11.91	6.01	11.69	7.26	12.48
1.91	1.14	2.06	1.83	2.09	1.13	1.76	1.20
2.62	9.82	3.34	10.08	3.92	10.56	5.50	11.28
0.61	1.01	0.75	1.46	0.72	1.16	0.71	1.04
3.23	10.83	4.09	11.54	4.64	11.72	6.21	12.32
0.95%	1.04%	1.42%	1.55%	1.81%	1.70%	3.29%	3.38%
1.06	0.70	1.18	1.06	1.19	0.71	0.91	0.92
1.23	1.07	1.22	1.31	1.29	1.18	0.96	0.89
1.34	1.74	1.33	1.21	1.30	0.83	1.66	1.39
4.58	4.55	5.15	5.13	5.59	4.42	6.82	6.58
1.10	0.75	0.92	0.77	0.46	0.30	0.35	0.10
1.11	1.07	1.79	1.53	1.32	2.51	1.15	0.69
3.36	2.45	2.04	1.12	1.01	1.35	1.65	1.45
1.71	1.27	2.15	1.38	2.45	1.98	1.74	1.74
2.09	2.37	2.37	2.38	2.56	2.53	1.53	1.87
9.37	7.91	9.27	7.18	7.80	8.67	6.42	5.85

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL						
Salaries - executive	1.98%	1.78%	3.47%	6.24%	2.11%	2.66%
Direct wages	18.17	16.31	21.26	14.23	21.63	19.52
General factory salaries and wages	1.64	1.89	0.15	0.52	0.35	0.09
Packing, shipping and delivery wages	0.83	0.72	0.06	0.27	0.44	0.36
Payroll taxes	1.79	1.53	2.39	2.04	2.03	1.67
Employee benefits	2.06	2.02	1.50	0.38	1.18	0.82
TOTAL FACTORY PAYROLL	26.47	24.25	28.83	23.68	27.74	25.12
FACTORY EXPENSES						
Fixed Expenses						
Depreciation - real estate	0.25	0.26	0.04	0.00	0.30	0.61
Depreciation - other	3.23	3.30	2.97	3.24	4.30	3.77
Taxes - real estate	0.20	0.21	0.05	0.00	0.21	0.10
Taxes - other	0.19	0.15	0.29	0.03	0.13	0.08
Insurance	0.49	0.41	1.07	0.80	1.10	0.87
Building rent	1.45	1.20	3.36	3.35	2.63	2.21
Utilities - heat, light, etc.	1.19	1.07	1.10	0.53	1.38	1.14
Equipment rental	0.58	0.37	1.27	0.92	0.98	1.33
Total Fixed Expenses	7.58	6.97	10.15	8.87	11.03	10.11
Other Expenses						
Factory supplies and expense	1.92	1.86	1.28	1.63	1.69	2.25
Packing, shipping and delivery expense	1.02	0.92	1.26	1.21	0.87	0.53
Repairs and maintenance	1.35	1.38	1.28	1.50	1.36	1.73
Other factory expenses	0.69	0.55	0.60	0.22	0.51	0.30
Total Other Expenses	4.98	4.71	4.42	4.56	4.43	4.81
TOTAL FACTORY EXPENSES	12.56	11.68	14.57	13.43	15.46	14.92
ADMINISTRATIVE EXPENSES						
Salaries - executive	3.01	2.73	5.71	3.16	6.11	3.34
Salaries - office	2.47	2.11	3.02	3.60	3.41	2.59
Payroll taxes	0.40	0.30	0.75	0.14	0.77	0.27
Employee benefits	0.54	0.51	0.49	0.00	0.67	0.23
Bad debts	0.48	0.43	0.20	0.18	0.59	1.13
Office supplies and expenses	0.49	0.43	0.53	0.77	0.65	0.67
Professional fees	0.56	0.54	0.60	0.66	0.87	0.92
Taxes - business	0.18	0.20	0.21	0.12	0.29	0.32
Telephone	0.51	0.42	1.43	0.79	0.84	0.86
Other administrative expenses	1.37	1.23	1.04	0.33	1.09	1.12
TOTAL ADMINISTRATIVE EXPENSES	10.01	8.90	13.98	9.75	15.29	11.45
SELLING EXPENSES						
Salaries - executive	1.28	1.13	2.22	1.30	1.37	0.71
Salaries and commissions - salesmen	3.77	3.15	1.69	2.59	1.88	0.59
Salaries - sales office clerical	0.66	0.50	0.56	0.05	0.38	0.33
Payroll taxes	0.31	0.24	0.13	0.10	0.22	0.09
Employee benefits	0.32	0.30	0.10	0.03	0.11	0.08
Advertising	0.42	0.34	1.04	0.44	0.69	0.58
Travel and entertainment	0.81	0.71	0.96	0.41	0.98	0.83
Other selling expenses	0.69	0.62	0.20	0.05	0.49	0.36
TOTAL SELLING EXPENSES	8.26	6.99	6.90	4.97	6.12	3.57

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.37%	1.88%	1.94%	1.70%	1.67%	1.37%	1.66%	1.56%
19.60	19.00	17.88	14.74	17.32	16.62	16.01	15.33
0.82	1.12	1.78	2.51	2.03	1.53	2.72	2.48
0.67	0.83	1.01	0.70	0.85	0.72	0.85	0.79
1.84	1.57	1.74	1.46	1.74	1.53	1.74	1.52
1.70	1.78	1.95	1.89	2.40	2.34	2.85	2.53
27.00	26.18	26.30	23.00	26.01	24.11	25.83	24.21
0.23	0.09	0.23	0.27	0.23	0.27	0.33	0.29
3.55	3.76	3.21	3.43	2.84	3.01	2.85	2.93
0.18	0.25	0.20	0.21	0.19	0.20	0.25	0.21
0.19	0.13	0.17	0.15	0.24	0.25	0.17	0.14
0.73	0.62	0.44	0.39	0.28	0.29	0.21	0.23
2.37	2.26	1.29	1.15	0.86	0.71	0.49	0.48
1.08	0.86	1.09	0.89	1.23	1.27	1.43	1.30
0.67	0.32	0.55	0.40	0.55	0.11	0.31	0.25
9.00	8.29	7.18	6.89	6.42	6.11	6.04	5.83
1.57	1.00	1.86	1.74	2.07	2.02	2.52	2.34
1.02	0.80	1.12	0.99	1.00	1.10	0.87	0.91
1.25	1.28	1.35	1.37	1.36	1.22	1.50	1.46
0.64	0.33	0.64	0.57	0.82	0.63	0.80	0.71
4.48	3.41	4.97	4.67	5.25	4.97	5.69	5.42
13.48	11.70	12.15	11.56	11.67	11.08	11.73	11.25
4.26	4.49	2.78	2.93	2.14	2.44	1.31	1.39
3.42	3.25	2.40	2.27	1.96	1.43	1.45	1.40
0.57	0.45	0.36	0.38	0.27	0.22	0.18	0.18
0.68	0.88	0.52	0.48	0.46	0.47	0.41	0.40
0.52	0.42	0.52	0.44	0.45	0.40	0.39	0.30
0.65	0.69	0.50	0.44	0.36	0.27	0.30	0.26
0.65	0.62	0.58	0.62	0.48	0.43	0.38	0.36
0.20	0.24	0.19	0.29	0.13	0.15	0.10	0.09
0.68	0.52	0.45	0.42	0.39	0.32	0.29	0.29
1.53	1.47	1.46	1.40	1.36	1.16	1.11	0.99
13.16	13.03	9.76	9.67	8.00	7.29	5.92	5.66
1.57	1.38	1.34	1.23	1.13	1.34	0.79	0.84
3.28	2.54	4.47	4.03	4.40	4.01	3.22	2.72
0.54	0.31	0.71	0.37	0.68	0.59	0.82	0.80
0.33	0.19	0.36	0.31	0.29	0.24	0.24	0.24
0.28	0.23	0.35	0.28	0.35	0.40	0.38	0.39
0.55	0.51	0.35	0.35	0.37	0.25	0.26	0.22
0.83	0.82	0.89	0.90	0.77	0.55	0.59	0.53
0.59	0.42	0.72	0.49	0.69	0.49	0.89	1.05
7.97	6.40	9.19	7.96	8.68	7.87	7.19	6.79

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS						
CURRENT ASSETS						
Cash	5.97%	10.38%	(18.18)%	(9.40)%	8.18%	9.49%
Receivables	33.05	29.32	45.38	51.96	29.06	28.83
Inventories	12.95	10.67	28.25	14.12	9.72	6.19
Other current assets	3.80	5.21	1.73	0.77	3.80	1.82
TOTAL CURRENT ASSETS	55.77	55.58	57.18	57.45	50.76	46.33
FIXED ASSETS						
Real estate	9.57	9.39	4.00	0.00	10.04	6.35
Less: Accumulated depreciation	2.89	2.51	0.50	0.00	2.31	2.03
	6.68	6.88	3.50	0.00	7.73	4.32
Machinery and equipment	66.26	59.96	73.61	86.05	87.25	72.85
Less: Accumulated depreciation	36.53	30.23	42.36	51.17	54.07	36.45
	29.73	29.73	31.25	34.88	33.18	36.40
Other fixed assets	7.35	6.61	9.68	5.40	8.67	13.85
Less: Accumulated depreciation	3.89	3.27	5.20	3.14	4.09	4.79
	3.46	3.34	4.48	2.26	4.58	9.06
NET FIXED ASSETS	39.87	39.95	39.23	37.14	45.49	49.78
OTHER ASSETS	4.36	4.47	3.59	5.41	3.75	3.89
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Notes payable	9.66	5.49	10.75	19.88	11.90	9.89
Accounts payable	14.39	11.46	16.08	14.15	13.68	8.49
Other current liabilities	9.26	9.66	9.61	7.59	7.29	5.49
TOTAL CURRENT LIABILITIES	33.31	26.61	36.44	41.62	32.87	23.87
LONG-TERM LIABILITIES	29.52	22.97	51.38	7.57	33.21	29.99
TOTAL LIABILITIES	62.83	49.58	87.82	49.19	66.08	53.86
SHAREHOLDERS' AND PROPRIETORS' EQUITY	37.17	50.42	12.18	50.81	33.92	46.14
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.67	2.09	1.57	1.38	1.54	1.94
QUICK RATIO	1.29	1.69	0.79	1.04	1.25	1.68
TOTAL LIABILITIES TO EQUITY	1.69	0.98	7.21	0.97	1.95	1.17
LONG-TERM LIABILITIES TO EQUITY	0.79	0.46	4.22	0.15	0.98	0.65
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.55	0.50	0.58	0.59	0.62	0.50

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
8.24%	16.21%	6.45%	9.59%	5.10%	12.93%	4.20%	7.36%
34.76	30.78	33.99	30.04	31.95	25.95	30.29	28.30
9.98	7.97	12.28	10.20	14.64	12.13	16.50	12.96
3.55	3.57	3.94	5.37	4.07	8.84	3.78	5.05
56.53	58.53	56.66	55.20	55.76	59.85	54.77	53.67
6.26	4.15	9.03	9.24	10.27	12.27	14.79	12.58
2.23	1.81	2.84	2.33	3.22	3.72	4.01	2.72
4.03	2.34	6.19	6.91	7.05	8.55	10.78	9.86
73.19	69.39	65.25	58.74	58.64	52.87	57.71	54.54
42.58	38.18	36.25	29.43	29.19	27.53	28.83	24.68
30.61	31.21	29.00	29.31	29.45	25.34	28.88	29.86
9.76	9.65	7.96	6.04	4.96	4.34	4.48	4.90
5.24	5.36	4.40	3.30	2.53	2.16	2.18	2.19
4.52	4.29	3.56	2.74	2.43	2.18	2.30	2.71
39.16	37.84	38.75	38.96	38.93	36.07	41.96	42.43
4.31	3.63	4.59	5.84	5.31	4.08	3.27	3.90
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
9.29	5.36	9.87	7.10	11.02	3.67	7.29	3.00
15.68	10.53	15.13	13.75	13.63	11.27	12.08	10.31
8.03	8.88	9.32	9.22	10.49	12.17	10.27	10.29
33.00	24.77	34.32	30.07	35.14	27.11	29.64	23.60
29.97	21.10	30.04	25.24	26.28	18.71	27.52	23.53
62.97	45.87	64.36	55.31	61.42	45.82	57.16	47.13
37.03	54.13	35.64	44.69	38.58	54.18	42.84	52.87
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
1.71	2.36	1.65	1.84	1.59	2.21	1.85	2.27
1.41	2.04	1.29	1.50	1.17	1.76	1.29	1.73
1.70	0.85	1.81	1.24	1.59	0.85	1.33	0.89
0.81	0.39	0.84	0.56	0.68	0.35	0.64	0.45
0.58	0.55	0.56	0.50	0.50	0.52	0.50	0.45

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT						
Average assets per employee - All employees	$ 37,164	$ 46,793	$ 10,916	$ 9,903	$ 23,591	$ 29,755
Average assets per factory employee (Excluding Executives)	58,337	63,200	19,146	18,882	36,804	39,776
Average net worth per employee - All employees	14,289	22,903	2,745	4,629	8,841	13,774
Average gross plant investment per factory employee (Excluding Executives)	42,814	46,421	17,776	15,370	35,475	34,935
Net worth percentage of fixed assets	120.07%	160.16%	15.79%	141.25%	107.11%	184.97%
EMPLOYEES						
Percent factory - All employees	74.41%	77.60%	70.65%	69.01%	69.73%	79.08%
Percent administrative - All employees	14.02	12.59	19.23	19.01	21.56	15.86
Percent sales - All employees	11.57	9.81	10.12	11.98	8.71	5.06
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES						
Sales per employee - All employees	$ 72,327	$ 80,231	$ 38,393	$ 37,197	$ 48,804	$ 60,555
Sales per factory employee	118,945	103,540	57,725	53,691	72,552	76,288
Sales less material per factory employee	65,942	64,150	39,161	35,458	48,280	52,277
Sales per administrative employee	684,915	881,399	248,245	100,273	279,008	476,962
EXCLUDING EXECUTIVES						
Sales per employee - All employees	80,667	87,994	49,440	46,401	60,699	71,058
Sales per factory employee	125,033	108,915	65,696	65,069	77,061	82,344
Sales less material per factory employee	69,656	67,568	44,634	43,605	51,259	56,366
SALES PER SALESMAN	753,879	1,023,760	65,662	100,000	150,133	88,750
SALES TO CURRENT ASSETS	428%	377%	908%	704%	618%	616%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES						
Total payroll percentage of sales	39.24%	35.22%	43.49%	34.54%	42.67%	33.36%
Factory payroll percentage of gross plant investment	80.77	70.95	202.18	101.08	83.48	97.41
Payroll per employee - All employees	$ 27,100	$ 26,565	$ 16,562	$ 12,382	$ 19,424	$ 17,388
Payroll per factory employee	24,574	23,570	15,515	12,604	18,325	17,178
Payroll per administrative employee	31,921	34,971	18,808	8,143	21,693	15,522
Payroll per sales employee	40,280	43,078	13,773	15,938	15,672	10,983
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES						
Payroll per employee - All employees	$ 21,060	$ 20,312	$ 12,939	$ 9,986	$ 15,149	$ 14,580
Payroll per factory employee	20,168	19,212	12,748	9,663	15,707	14,710
Payroll per administrative employee	16,661	16,531	9,898	6,642	11,002	9,619
Payroll per sales employee	31,687	31,340	7,137	9,483	8,467	3,087
EXECUTIVE PAYROLL						
Payroll per executive - All executives	48,624	56,310	15,021	11,225	24,973	17,548
Payroll per factory executive	31,843	33,324	8,298	11,982	13,835	16,765
Payroll per administrative executive	57,185	70,567	14,378	9,941	24,122	15,384
Payroll per sales executive	41,959	50,830	9,991	11,423	11,318	8,377
RECEIVABLES						
Collection period	58.2	58.8	39.4	45.1	44.9	46.5
PROFIT						
Gross profit percentage of sales	23.70%	27.94%	24.33%	29.37%	24.39%	29.09%
Average gross profit per factory employee	$ 30,038	$ 30,326	$ 17,092	$ 19,102	$ 19,738	$ 24,513
Income before taxes percentage of sales	4.14%	11.79%	2.14%	12.83%	1.52%	13.11%
Average income before taxes per employee	$ 3,326	$ 9,555	$ 915	$ 4,785	$ 1,362	$ 8,339

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 25,382	$ 27,766	$ 35,287	$ 43,982	$ 45,965	$ 56,851	$ 55,976	$ 62,678
40,388	42,081	66,827	62,610	62,878	75,541	72,089	78,766
10,146	14,107	12,707	19,920	18,108	30,668	22,627	30,571
34,817	33,110	43,360	46,133	46,098	51,165	54,370	57,327
120.45%	171.39%	127.56%	148.79%	119.39%	192.51%	119.47%	140.81%
69.03%	70.72%	73.49%	75.46%	77.68%	78.45%	82.53%	84.00%
18.67	19.49	13.56	13.03	11.04	10.31	8.24	7.79
12.30	9.79	12.95	11.51	11.28	11.24	9.23	8.21
$ 57,023	$ 54,947	$ 71,626	$ 77,198	$ 83,492	$ 94,434	$ 95,684	$ 99,011
85,430	79,318	157,043	103,747	108,742	120,496	117,537	118,830
55,587	53,609	77,485	65,166	64,735	72,957	66,108	69,407
339,476	325,729	579,021	676,697	873,390	1,012,260	1,386,797	1,530,942
66,458	63,729	79,829	85,095	90,841	102,201	102,169	105,201
92,309	84,039	162,969	108,949	114,642	125,602	123,553	124,441
59,903	56,795	81,156	68,495	68,184	76,020	69,498	72,827
252,440	263,858	488,236	497,247	825,570	684,936	1,790,305	2,045,799
483%	410%	402%	360%	363%	311%	352%	333%
41.92%	39.90%	39.60%	35.28%	37.70%	35.25%	34.63%	32.58%
91.95	81.14	75.86	65.80	79.15	70.89	65.26	61.49
$ 23,343	$ 21,633	$ 27,525	$ 25,950	$ 30,726	$ 31,706	$ 31,638	$ 30,509
21,768	19,892	24,732	22,377	27,362	27,591	28,541	27,095
27,412	27,136	31,806	35,504	36,525	40,957	38,900	42,385
26,554	26,681	39,973	39,047	51,338	52,678	60,523	61,903
$ 17,936	$ 16,424	$ 21,494	$ 19,628	$ 24,022	$ 24,093	$ 24,468	$ 23,375
18,085	16,663	20,428	18,188	22,258	22,466	22,787	21,725
14,650	13,565	16,795	16,910	18,846	17,278	19,775	19,921
18,031	14,815	32,930	30,897	41,570	40,665	48,983	45,339
36,339	32,472	48,310	56,848	59,581	79,664	67,341	69,738
24,673	17,397	32,871	35,368	36,203	34,279	44,314	46,354
37,722	33,446	54,640	70,695	69,899	86,140	93,145	102,685
22,586	19,515	37,350	38,240	55,489	55,790	79,367	94,516
54.5	55.2	59.2	61.2	63.2	58.0	63.2	62.8
25.66%	30.39%	24.35%	29.54%	22.69%	26.85%	20.37%	24.93%
$ 23,981	$ 25,763	$ 40,369	$ 32,598	$ 26,279	$ 33,770	$ 25,337	$ 30,965
3.23%	10.83%	4.09%	11.54%	4.64%	11.72%	6.21%	12.32%
$ 1,881	$ 5,907	$ 3,053	$ 9,207	$ 4,081	$ 11,075	$ 6,098	$ 11,997

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT						
Current Assets:						
Cash	$ 3.23	$ 6.02	$ 0.38	$(0.74)	$ 3.50	$ 4.50
Receivables	15.47	15.60	10.60	11.63	12.01	12.10
Inventories	6.32	5.99	4.89	4.52	4.77	2.68
Marketable securities	0.85	2.06	0.01	0.00	0.59	0.37
Other current assets	1.28	1.45	0.53	0.29	1.57	0.77
	27.15	31.12	16.41	15.70	22.44	20.42
Plant Investment:						
Land and building	5.84	6.25	1.81	0.00	7.28	3.37
Machinery and equipment	32.19	33.35	20.55	21.53	36.92	31.09
Other fixed assets	3.42	3.32	1.63	1.73	4.15	5.29
	41.45	42.92	23.99	23.26	48.35	39.75
Non-Current Assets	2.40	2.96	0.97	2.06	1.92	1.79
TOTAL INVESTMENT	71.00	77.00	41.37	41.02	72.71	61.96
INVESTMENT TURNOVER PER $100 OF SALES	140.85%	129.87%	241.72%	243.78%	137.53%	161.39%
EARNINGS						
Cost of Product	$76.30	$72.06	$75.67	$70.63	$75.61	$70.91
Selling Expenses	8.26	6.99	6.90	4.97	6.12	3.57
Administrative Expenses	10.01	8.90	13.98	9.75	15.29	11.45
	94.57	87.95	96.55	85.35	97.02	85.93
Income Before Interest, Other Income (Expense), and Taxes	5.43	12.05	3.45	14.65	2.98	14.07
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	7.65%	15.65%	8.34%	35.71%	4.10%	22.71%

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 3.90	$ 8.22	$ 3.16	$ 5.09	$ 3.23	$ 8.77	$ 2.63	$ 4.73
14.52	14.73	15.70	16.25	16.73	15.41	16.78	16.74
4.35	4.14	5.94	5.47	7.81	7.77	8.99	7.58
0.50	1.17	0.89	1.69	1.17	4.29	1.09	2.25
1.18	1.12	1.30	1.96	1.22	1.48	1.40	1.35
24.45	29.38	26.99	30.46	30.16	37.72	30.89	32.65
3.83	2.80	5.38	6.27	6.36	8.42	8.81	8.28
31.45	33.22	31.91	33.54	31.91	32.99	33.26	34.72
4.20	4.48	3.73	3.19	2.69	2.70	2.37	2.67
39.48	40.50	41.02	43.00	40.96	44.11	44.44	45.67
1.92	1.93	2.55	4.02	3.17	2.90	2.31	2.89
65.85	71.81	70.56	77.48	74.29	84.73	77.64	81.21
151.86%	139.26%	141.72%	129.07%	134.61%	118.02%	128.80%	123.14%
$74.34	$69.61	$75.65	$70.46	$77.31	$73.15	$79.63	$75.07
7.97	6.40	9.19	7.96	8.68	7.87	7.19	6.79
13.16	13.03	9.76	9.67	8.00	7.29	5.92	5.66
95.47	89.04	94.60	88.09	93.99	88.31	92.74	87.52
4.53	10.96	5.40	11.91	6.01	11.69	7.26	12.48
6.88%	15.26%	7.65%	15.37%	8.09%	13.80%	9.35%	15.37%

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL PRINTING FIRMS	879	$ 3,963,000	$ 6,990,000	$ 410,000
TOTAL - PROFIT LEADERS*	177	6,520,000	10,819,000	1,285,000
BY SIZE OF FIRM:				
ALL FIRMS				
0-$250,000	14	54,000	179,000	4,000
$250,000-$500,000	59	193,000	395,000	6,000
$500,000-$1,500,000	197	441,000	963,000	32,000
$1,500,000-$5,000,000	313	1,507,000	3,018,000	125,000
$5,000,000-$10,000,000	149	3,896,000	7,041,000	323,000
Over $10,000,000	147	15,866,000	26,768,000	1,814,000
PROFIT LEADERS				
0-$250,000	3	40,000	158,000	21,000
$250,000-$500,000	12	186,000	402,000	53,000
$500,000-$1,500,000	32	521,000	961,000	104,000
$1,500,000-$5,000,000	52	1,837,000	3,254,000	379,000
$5,000,000-$10,000,000	29	4,365,000	6,934,000	806,000
Over $10,000,000	49	18,631,000	30,788,000	3,679,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 3.

HOW DO YOU COMPARE IN NORTH AMERICA?

The Individual Company Computer Printout is a fundamental part of the PIA Financial Ratio Study. It is a detailed, well-organized presentation of key financial information that encompasses every facet of your printing business. It contains data specific to your company that are not available in the published volumes of the study. The Individual Company Computer Printout, designed with you, the busy printing executive in mind, is a concise presentation of:

- Your firm's operating statement;
- Your firm's balance sheet;
- Supporting schedules for your firm's income statement and balance sheet; and
- Your firm's Return on Investment.

In addition:

- Your firm's financial data are expressed in dollars and ratio form;
- The ratios of your printing firm are compared side by side with the ratios of all other ratio study participants and "profit leaders," based on both sales revenue and value added. Ratios of survey participants and "profit leaders" that produce the same products and use the same manufacturing process are also presented for your immediate comparison;
- Using the same presentation format described in the previous item, the ratios of your printing firm are also compared side by side with the ratios of all survey participants and "profit leaders" that are approximately the same size in terms of sales; and
- Finally, "significant facts" statistics are presented to help you gauge where your company stands relative to industry "profit leaders" and the U.S. and Canadian printing industries as a whole.

Because of the detail that the Individual Company Computer Printout contains, it can quickly help you identify those areas and operations of your business that are running efficiently and those that are not. You'll be able to ascertain the seriousness of problems and how much corrective action is necessary. The bottom line is that you can purchase all of these data for a small fraction of what you would have to pay if you generated a similar analysis from scratch.

If you are part of the 1985 database, and have not already done so, I urge you to make the investment. If you are not part of the database, please consider participating in the 1986 PIA Financial Ratio Study and availing yourself of this particular service.

William A. Rose, II
Director, PIA Financial Services